

Iran:

Mossadeq slowly consolidating position. No serious overt opposition but maneuvering cautiously. ^H Kashani has withdrawn ^{into shell} ~~from open opposition.~~ ^H Dissatisfaction army circles and rumors military coup possible but Mossadeq probably able block this and purge of army continuing with Chief of Staff taking Mossadeq's orders. ^H Tudeh not yet ready to attempt coup but 4 to 6 thousand Tudeh followers gave orderly demonstration in memory of Stalin.

^H Mossadeq has requested withdrawal Point-4 personnel from South Caspian area fearing Communist pressure. ^H Differences with Shah unresolved but he being slowly undermined. Prince Abda Reza ~~has~~ left for India and Queen about to leave. ^H Tribal leaders restive and new army commanders sent to Bakhtiari area. ^H Oil conversations dead-locked and Mossadeq about to formally reject last British offer and announce breakdown of talks. This partially political maneuver by ^{H Iran} ~~has~~ Mossadeq to strengthen position. ^H Appear to be in situation of slow disintegration but with Mossadeq likely to control things for some time.